



Billing Code 3410-08-P

DEPARTMENT OF AGRICULTURE

Federal Crop Insurance Corporation

Notice of Request for Renewal and Revision of the Currently Approved Information Collection

Docket No. FCIC-17-0002

AGENCY: Federal Crop Insurance Corporation, USDA

ACTION: Renewal and Revision of the Currently Approved Information Collection.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces a public comment period on the information collection requests (ICRs) associated with the Standard Reinsurance Agreement and Appendices I, II and IV administered by Federal Crop Insurance Corporation (FCIC). Appendix III is excluded because it contains the Data Acceptance System requirements.

DATES: Written comments on this notice will be accepted until close of business (insert date 60 days after publication in the Federal Register).

ADDRESSES: FCIC prefers that comments be submitted electronically through the Federal eRulemaking Portal. You may submit comments, identified by Docket ID No.

FCIC-17-0002, by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- By Mail to: David L. Miller, Director, Reinsurance Services Division, Federal Crop Insurance Corporation, United States Department of Agriculture (USDA), 1400 Independence Avenue, SW., Stop 0801, Washington, DC 20250.

All comments received, including those received by mail, will be posted without change to <http://www.regulations.gov>, including any personal information provided, and can be accessed by the public. All comments must include the agency name and docket number or Regulatory Information Number (RIN) for this rule. For detailed instructions on submitting comments and additional information, see <http://www.regulations.gov>. If you are submitting comments electronically through the Federal eRulemaking Portal and want to attach a document, we ask that it be in a text-based format. If you want to attach a document that is a scanned Adobe PDF file, it must be scanned as text and not as an image, thus allowing FCIC to search and copy certain portions of your submissions. For questions regarding attaching a document that is a scanned Adobe PDF file, please contact the RMA Web Content Team at (816)823-4694 or by email at [rmaweb.content@rma.usda.gov](mailto:rmaweb.content@rma.usda.gov).

Privacy Act: Anyone is able to search the electronic form of all comments received for any dockets by the name of the individual submitting the comment (or signing the comment, if submitted on behalf of an association, business, labor union, etc.). You may review the complete User Notice and Privacy Notice for Regulations.gov at <http://www.regulations.gov/#!privacyNotice>.

FOR FURTHER INFORMATION CONTACT: David L. Miller, Director, Risk Management Agency, at the address listed above, telephone (202) 720-9830.

**SUPPLEMENTARY INFORMATION:**

*Title:* Standard Reinsurance Agreement; Appendices I, II and IV.

*OMB Number:* 0563-0069.

*Type of Request:* Renewal of current Information Collection.

*Abstract:* The Federal Crop Insurance Act (Act), Title 7 U.S.C. Chapter 36, Section 1508(k), authorizes the FCIC to provide reinsurance to insurers approved by FCIC that insure producers of any agricultural commodity under one or more plans acceptable to FCIC. The Act also states that the reinsurance shall be provided on such terms and conditions as the Board may determine to be consistent with subsections (b) and (c) of this section and sound reinsurance principles.

FCIC executes the same form of reinsurance agreement, called the Standard Reinsurance Agreement (SRA), with sixteen participating insurers approved for the 2018 reinsurance year. Appendix I of the SRA, Regulatory Duties and Responsibilities, sets forth the company's responsibilities as required by statute. Appendix I includes; a) Conflict of Interest data collection, which in addition to the insurance companies reinsured by FCIC, encompasses the insurance companies' employees and their contracted agents and loss adjusters; and b) Controlled Business data collection from all employed or contracted agents. Appendix II of the SRA, the Plan of Operations (Plan), sets forth the information the insurer is required to file with RMA for each reinsurance year they wish to participate. The Plan's information enables RMA to evaluate the insurer's financial and operational capability to deliver the crop insurance program in accordance with the Act. Estimated premiums by fund by state, and retained percentages along with current policyholders surplus are used in calculations to determine whether to approve the insurer's requested maximum reinsurable premium volume for the reinsurance year per 7 CFR 400 Subpart L. This information has a direct effect upon the insurer's amount of retained premium and associated liability and is required to calculate the insurer's underwriting gain or loss.

Appendix IV of the SRA, Quality Control and Program Integrity, establishes the minimum annual agent and loss adjuster training requirements, and quality control review procedures and performance standards required of the insurance companies. FCIC requires each insurer to submit, for each reinsurance year, a Quality Control Report to FCIC containing details of the results of their completed reviews. The insurance companies must also provide an annual Training and Performance Evaluation Report which details the evaluation of each agent and loss adjuster and reports of any remedial actions taken by the Company to correct any error or omission or ensure compliance with the SRA. The submission of these reports is included in Appendix II.

FCIC is requesting the Office of Management and Budget (OMB) to extend the approval of this information collection for an additional 3 years.

The purpose of this notice is to solicit comments from the public concerning the continuation of the current information collection activity as associated with the SRA in effect for the 2018 and subsequent reinsurance years. These comments will help us:

- (1) Evaluate whether the current collection of information is necessary for the proper performance of the functions of the agency, including whether the information has practical utility;
- (2) Evaluate the accuracy of the agency's estimate of the burden of the current collection of information;
- (3) Enhance the quality, utility, and clarity of the information being collected; and
- (4) Minimize the burden of the collection of information on those who are to respond, through use, as appropriate, of automated, electronic, mechanical, and other collection technologies, e.g., permitting electronic submission of responses.

The estimate below shows the burden that will be placed upon the following affected entities.

Appendix I – Regulatory Duties and Responsibilities

Conflict of Interest:

*Estimate of Burden:* The public reporting burden of employees, agents and loss adjusters for the Appendix I collection of Conflict of Interest information is estimated to average 1 hour per response.

*Respondents/Affected Entities:* Insurance company employees and their contracted agents and loss adjusters.

*Estimated annual number of respondents:* 20,000.

*Estimated annual number of responses per respondent:* 1.

*Estimated annual number of responses:* 20,000.

*Estimated total annual burden on respondents (hours):* 20,000.

*Estimate of Burden:* The public reporting burden of the insurance companies of the Appendix I collection of Conflict of Interest information is estimated to average 24 hours per response.

*Respondents/Affected Entities:* Insurance companies reinsured by FCIC.

*Estimated annual number of respondents:* 16.

*Estimated annual number of responses per respondent:* 1.

*Estimated annual number of responses:* 16.

*Estimated total annual burden on respondents (hours):* 384.

#### Controlled Business:

*Estimate of Burden:* The public reporting burden of agents for the Appendix I collection of Controlled Business information is estimated to average 1 hour per response.

*Respondents/Affected Entities:* Insurance company agents.

*Estimated annual number of respondents:* 12,500.

*Estimated annual number of responses per respondent:* 1.

*Estimated annual number of responses:* 12,500.

*Estimated total annual burden on respondents (hours):* 12,500.

*Estimate of Burden:* The public reporting burden of the insurance companies for the Appendix I collection of Controlled Business information is estimated to average 24 hours per response.

*Respondents/Affected Entities:* Insurance companies reinsured by FCIC.

*Estimated annual number of respondents:* 16.

*Estimated annual number of responses per respondent:* 1.

*Estimated annual number of responses:* 16.

*Estimated total annual burden on respondents (hours):* 384.

#### Appendix II – Plan of Operations

*Estimate of Burden:* The public reporting burden of the insurance companies for the collection of Appendix II information is estimated to average 128 hours per response.

*Respondents/Affected Entities:* Insurance companies reinsured by FCIC.

*Estimated annual number of respondents:* 16.

*Estimated annual number of responses per respondent:* 1.

*Estimated annual number of responses:* 16.

*Estimated total annual burden on respondents (hours):* 2,048.

#### Appendix IV – Quality Control and Program Integrity

##### Quality Control and Training Plan and Report:

*Estimate of Burden:* The public reporting burden of the insurance companies for the collection of Appendix IV information is estimated to average 74 hours per response.

*Respondents/Affected Entities:* Insurance companies reinsured by FCIC.

*Estimated annual number of respondents:* 16.

*Estimated annual number of responses per respondent:* 1.

*Estimated annual number of responses:* 16.

*Estimated total annual burden on respondents (hours):* 1,184.

##### Agent Training Requirements:

*Estimate of Burden:* The public reporting burden of agents the Appendix IV training requirements is estimated to average 4 hours per response.

*Respondents/Affected Entities:* Insurance company agents.

*Estimated annual number of respondents:* 12,500.

*Estimated annual number of responses per respondent:* 1.

*Estimated annual number of responses:* 12,500.

*Estimated total annual burden on respondents (hours):* 50,000.

Loss Adjuster Training Requirements:

*Estimate of Burden:* The public reporting burden of loss adjusters for the Appendix IV training requirements is estimated to average 17 hours per response.

*Respondents/Affected Entities:* Insurance company loss adjusters.

*Estimated annual number of respondents:* 5,000.

*Estimated annual number of responses per respondent:* 1.

*Estimated annual number of responses:* 5,000.

*Estimated total annual burden on respondents (hours):* 85,000.

All responses to this notice will be summarized and included in the request for OMB approval. All comments will also become a matter of public record.

Signed in Washington, D.C., on November 9, 2017.

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Heather Manzano  
Acting Director  
Federal Crop Insurance Corporation  
[FR Doc. 2017-24743 Filed: 11/15/2017 8:45 am; Publication Date: 11/16/2017]